

FISCAL NOTE

HB 3463 - SB 3676

March 9, 2006

SUMMARY OF BILL: Requires an applicant for a contractor license to file with the Tennessee Home Improvement Commission a cash, surety, or property bond or an irrevocable letter of credit in the amount of twenty-five thousand dollars (\$25,000) for the benefit of any person who is damaged because of the breach of the home improvement contract. Current law requires an amount of ten thousand dollars (\$10,000). Prohibits home improvement contractors from accepting any consideration for referring a borrower to a lender. A violation is punishable as a Class A misdemeanor in accordance with TCA 62-37-114.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues – Not Significant
Decrease State Expenditures – Not Significant

Increase Local Govt. Revenues – Not Significant
Increase Local Govt. Expenditures – Not Significant

Assumptions:

- A smaller number of licensees as a result of additional bond requirements.
- A not significant decrease in state revenues as a result of collecting fewer license fees.
- A not significant decrease in state expenditures as a result of regulating fewer licensees.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenues or expenditures.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director